



# WHAT IS BEHIND THESE NUMBERS

## CONTRACTORS EXITING MILITARY MARKET

INTEL MOTOROLA PHILLIPS + MANY MORE

## CASE IN POINT

### Longbow



INTEL STOPPING PRODUCTION OF  
MILITARY 486 PROCESSOR.

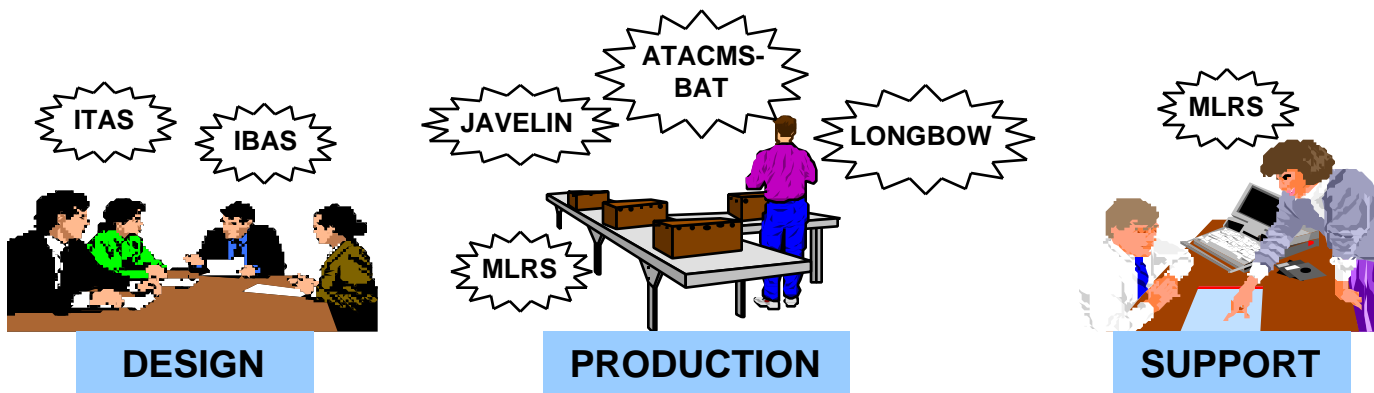
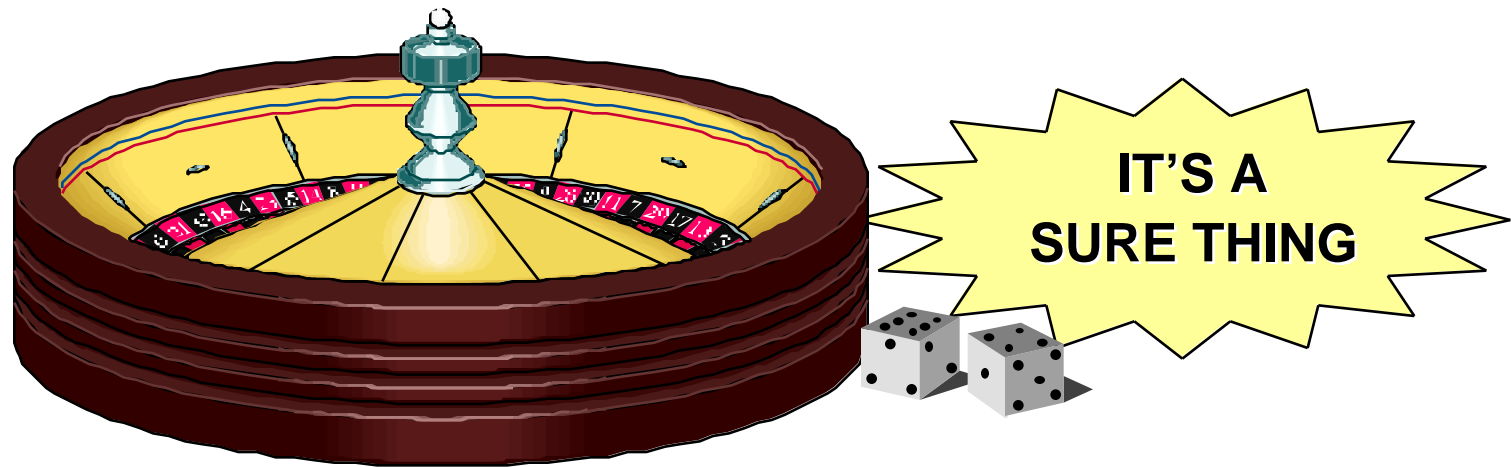
ORDERS FOR BUYOUT MUST BE PLACED  
THIS YEAR.

SCOPE	570 UNIT COST
	13,003 UNITS
	\$ 7.4M

OTHER ALTERNATIVES - MORE  
EXPENSIVE

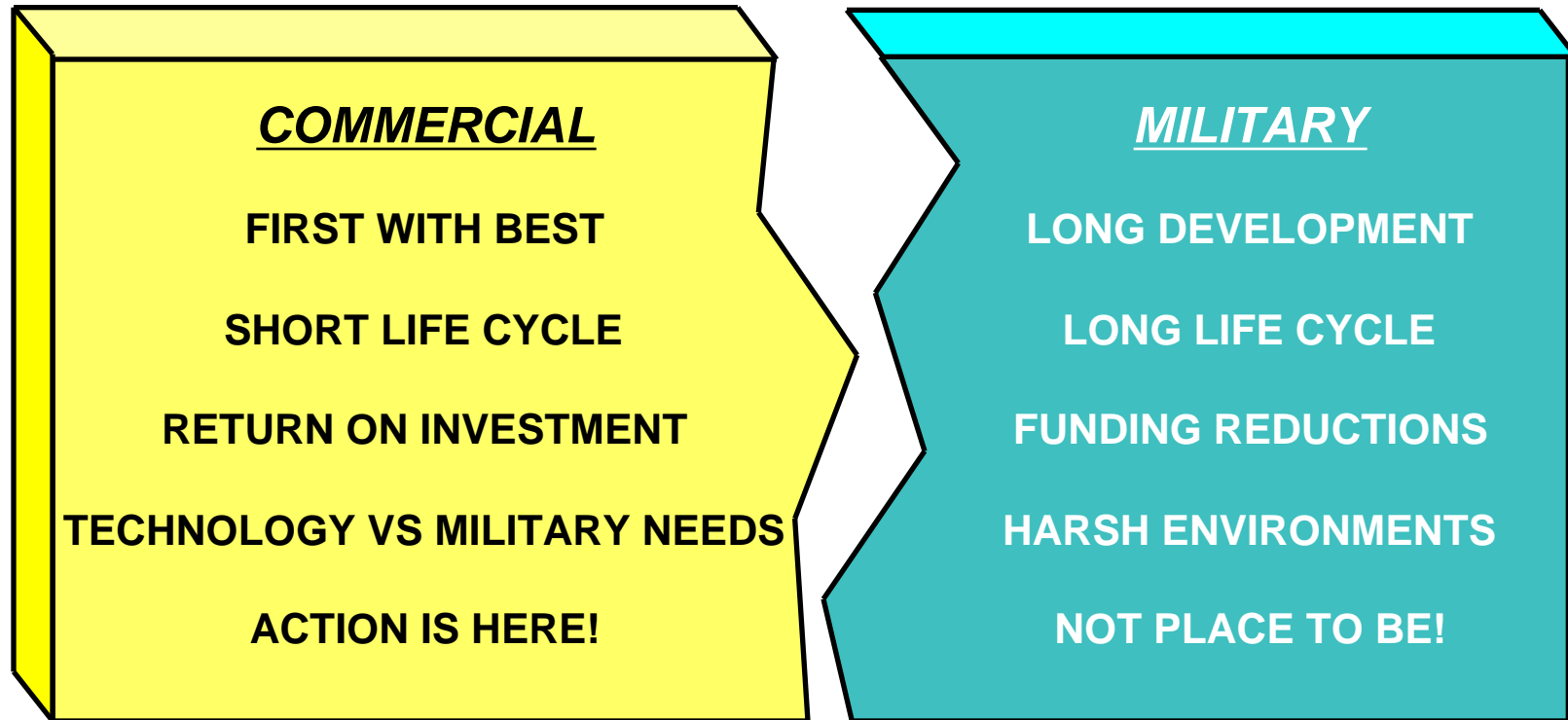
FACTORS BEHIND VENDOR DECISION ARE ON THE NEXT CHART.

# PARTS OBSOLESCENCE



**COMPLACENCY, DENIAL, IGNORING THE INEVITABLE IS NOT THE SOLUTION**

# COMMERCIAL AND MILITARY ENVIRONMENTS *NOT A GOOD FIT*

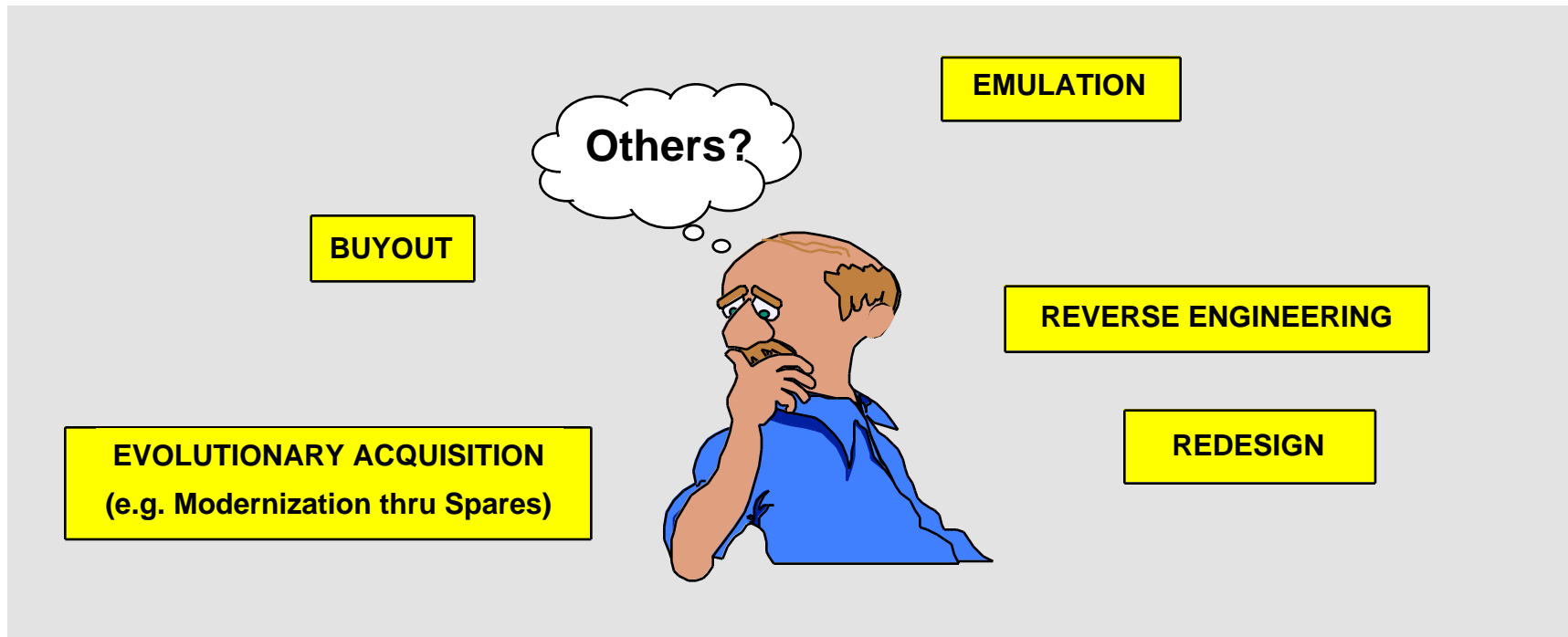


SEPARATION IS BECOMING EVEN WIDER

- TECHNOLOGY TURNOVER CYCLES
- DYNAMICS OF THE BUSINESS ENVIRONMENT
- CONTRACTOR OBJECTIVES VS. GOVERNMENT REQUIREMENTS

# TECHNICAL SOLUTIONS

## *LOTS OF OPTIONS*

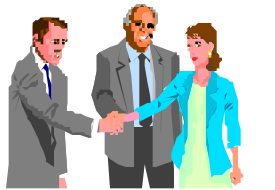


**WHY THEN IS OBSOLESCENCE SUCH A PROBLEM?**

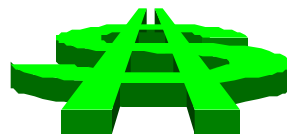
# TECHNICAL SOLUTIONS *OBSTACLES TO THEIR USE*



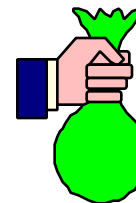
**POOR PLANNING**



**BUSINESS PRACTICES**



**COST (e.g. NON-RECURRING)**



**FUNDING  
RESTRICTIONS**  
(e.g. COLOR OF MONEY)

# CONCLUSION

- **WEAPON SYSTEMS OF THE FUTURE WILL REQUIRE EXTENDED LIFE CYCLES GIVEN THE CONTINUED REDUCTION IN DOLLARS.**
- **WE NEED YOUR BEST IDEAS TO IDENTIFY APPROACHES WHICH INCORPORATE FLEXIBILITY, INNOVATION, FORESIGHT, AND BUSINESS JUDGMENT.**

**THANK YOU.**